

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01212A

Valencia Water Company, Inc. – Town Division

c/o Global Water

21410 N 19th Ave. Ste. 201

Phoenix, AZ 85027

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Director's Office

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2009
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FOR COMMISSION USE

ANN 04	09
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A-20-10

COMPANY INFORMATION

Company Name (Business Name) <u>Valencia Water Company, Inc.</u>		
Mailing Address <u>21410 N. 19th Ave., Ste. 201</u>		
<u>Phoenix</u> (City)	<u>AZ</u> (State)	<u>85027</u> (Zip)
<u>623-580-9600</u> Telephone No. (Include Area Code)	<u>623-580-9659</u> Fax No. (Include Area Code)	<u>NA</u> Cell No. (Include Area Code)
Email Address <u>graham.symmonds@gwresources.com</u>		
Local Office Mailing Address <u>Same as above</u>		
<u>(Street)</u>		
<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>
<u>Local Office Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Cell No. (Include Area Code)</u>
Email Address _____		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact: <u>Graham Symmonds</u>			
<input type="checkbox"/> Management Contact: <u>Graham Symmonds</u> <u>CTO & SVP Regulatory Affairs & Compliance</u>			
<u>(Name)</u>		<u>(Title)</u>	
<u>21410 N. 19th Ave. Ste. 210</u> (Street)	<u>Phoenix</u> (City)	<u>AZ</u> (State)	<u>85027</u> (Zip)
<u>623-580-9600</u> Telephone No. (Include Area Code)	<u>623-580-9659</u> Fax No. (Include Area Code)	<u>602-615-4532</u> Cell No. (Include Area Code)	
Email Address <u>graham.symmonds@gwresources.com</u>			
On Site Manager: <u>Ron Fleming, WVR General Manager</u>			
<u>(Name)</u>			
<u>201 East Coronado Street</u> (Street)	<u>Buckeye</u> (City)	<u>AZ</u> (State)	<u>85326</u> (Zip)
<u>623-386-4252</u> Telephone No. (Include Area Code)	<u>623-386-6638</u> Fax No. (Include Area Code)	<u>602-550-2717</u> Cell No. (Include Area Code)	
Email Address <u>ron.fleming@gwresources.com</u>			

Statutory Agent: <u>Andrew Abraham, Burch & Cracchiolo, PLC</u>			
(Name)			
<u>702 East Osborn, Ste. 200</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85014</u>
(Street)	(City)	(State)	(Zip)
<u>602-274-7611</u>	<u>602-234-0341</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>Timothy J. Sabo, Roshka DeWulf & Patten, PLC</u>			
(Name)			
<u>400 E Van Buren, Ste. 800</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85004</u>
(Street)	(City)	(State)	(Zip)
<u>602-256-6100</u>	<u>602-256-6800</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|---|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME: VALENCIA WATER COMPANY – TOWN DIVISION

UTILITY PLANT IN SERVICE

ACCT NO	DESCRIPTION	ORIGINAL COST	ACCUMULATED DEPRECIATION	OCID
301	ORGANIZATION	-	-	\$ -
302	FRANCHISE	-	-	\$ -
303	LAND & LAND RIGHTS	150,431.67	-	\$ 150,431.67
304	STRUCTURES & IMPROVEMENTS	971,376.62	(71,687.54)	\$ 899,689.08
307	WELLS & SPRINGS	1,832,557.50	(143,798.02)	\$ 1,688,759.48
310	POWER GENERATION EQUIPMENT	25,864.32	(3,299.47)	\$ 22,564.85
311	PUMPING EQUIPMENT	7,979,932.18	(864,018.68)	\$ 7,115,913.50
320	WATER TREATMENT EQUIPMENT	4,072,235.18	(336,097.87)	\$ 3,736,137.31
330	DISTRIBUTION RESERVOIRS & STANDPIPES	4,761,651.53	(405,573.17)	\$ 4,356,078.36
331	TRANSMISSION & DISTRIBUTION MAINS	21,059,090.18	(1,214,020.67)	\$ 19,845,069.51
333	SERVICES	3,278,934.62	(272,634.10)	\$ 3,006,300.52
334	METERS & METER INSTALLATIONS	1,369,353.88	(176,425.88)	\$ 1,192,928.00
335	HYDRANTS	1,980,631.10	(132,635.40)	\$ 1,847,995.70
336	BACKFLOW PREVENTION DEVICES	12,673.75	(2,142.11)	\$ 10,531.64
339	OTHER PLANT & MISCELLANEOUS EQUIPMENT	10,996.68	(1,874.86)	\$ 9,121.82
340	OFFICE FURNITURE & EQUIPMENT	162,557.94	(53,295.00)	\$ 109,262.94
341	TRANSPORTATION EQUIPMENT	275,037.51	(233,748.30)	\$ 41,289.21
343	TOOLS, SHOP, AND GARAGE EQUIPMENT	92,380.68	(26,071.83)	\$ 66,308.85
344	LABORATORY EQUIPMENT	42,170.67	(5,386.89)	\$ 36,783.78
345	POWER OPERATED EQUIPMENT	55,587.52	(14,389.29)	\$ 41,198.23
346	COMMUNICATION EQUIPMENT	20,584.40	(4,506.63)	\$ 16,077.77
347	MISCELLANEOUS EQUIPMENT	15,370.82	(2,497.06)	\$ 12,873.76
348	OTHER TANGIBLE PLANT	2,869,684.32	(385,860.48)	\$ 2,483,823.84
	TOTALS	51,039,103.07	(4,349,963.25)	\$ 46,689,139.82

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME: VALENCIA WATER COMPANY – TOWN DIVISION

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

ACCT NO	DESCRIPTION	ORIGINAL COST	DEPRECIATION PERCENTAGE	DEPRECIATION EXPENSE
303	LAND & LAND RIGHTS	150,431.67	0%	\$ -
304	STRUCTURES & IMPROVEMENTS	971,376.62	2%	\$ 22,899.50
307	WELLS & SPRINGS	1,832,557.50	3%	\$ 41,698.64
310	POWER GENERATION EQUIPMENT	25,864.32	7%	\$ 1,486.60
311	PUMPING EQUIPMENT	7,979,932.18	3%	\$ 259,517.38
320	WATER TREATMENT EQUIPMENT	4,072,235.18	3%	\$ 141,466.94
330	DISTRIBUTION RESERVOIRS & STANDPIPES	4,761,651.53	2%	\$ 107,287.85
331	TRANSMISSION & DISTRIBUTION MAINS	21,059,090.18	2%	\$ 400,568.65
333	SERVICES	3,278,934.62	3%	\$ 99,594.28
334	METERS & METER INSTALLATIONS	1,369,353.88	3%	\$ 49,197.38
335	HYDRANTS	1,980,631.10	2%	\$ 38,808.89
336	BACKFLOW PREVENTION DEVICES	12,673.75	7%	\$ 854.12
339	OTHER PLANT & MISCELLANEOUS EQUIPMENT	10,996.68	6% OR 7%	\$ 747.34
340	OFFICE FURNITURE & EQUIPMENT	162,557.94	7%, 14%, OR 20%	\$ 18,204.97
341	TRANSPORTATION EQUIPMENT	275,037.51	20%	\$ 55,033.42
343	TOOLS, SHOP, AND GARAGE EQUIPMENT	92,380.68	5%	\$ 4,448.19
344	LABORATORY EQUIPMENT	42,170.67	5%	\$ 2,158.29
345	POWER OPERATED EQUIPMENT	55,587.52	8%	\$ 4,728.20
346	COMMUNICATION EQUIPMENT	20,584.40	5%	\$ 1,029.17
347	MISCELLANEOUS EQUIPMENT	15,370.82	5%	\$ 1,161.82
348	OTHER TANGIBLE PLANT	2,869,684.32	10%	\$ 249,658.30
	TOTALS	51,039,103.07		\$ 1,500,549.93

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.



BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$550	\$550
132	Special Deposits	141,274	192,960
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	435,415	350,117
143	Accumulated Provision for Uncollectable Accounts	(67,308)	(35,961)
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	22,545	22,937
162	Prepayments	9,569	7,578
174	Miscellaneous Current and Accrued Assets	55,305	71,049
	TOTAL CURRENT AND ACCRUED ASSETS	\$597,350	\$609,229
	FIXED ASSETS		
101	Utility Plant in Service	\$45,882,670	\$51,039,103
103	Property Held for Future Use		
105	Construction Work in Progress	4,165,443	2,967,336
108	Accumulated Depreciation – Utility Plant	(3,075,373)	(4,349,963)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$46,972,741	\$49,656,476
	OTHER ASSETS		
114	Utility Plant Acquisition Adjustments	10,794,655	10,794,655
181	Unamortized Debt Discount & Expense		8,645
	TOTAL OTHER ASSETS	10,794,655	10,803,300
	TOTAL ASSETS	\$58,364,746	\$61,069,005

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$816,117	\$704,388
232	Notes Payable (Current Portion)	106,880	196,005
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	162,132	252,191
236	Accrued Taxes	59,316	69,320
237	Accrued Interest	19,213	25,644
241	Miscellaneous Current and Accrued Liabilities	755,575	422,301
253	Other Deferred Credits	48,146	70,230
	TOTAL CURRENT LIABILITIES	\$1,967,378	\$1,740,078
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$2,274,705	\$3,103,801
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	37,992,781	40,128,441
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	890,221	890,221
272	Less: Amortization of Contributions	(98,283)	(125,472)
281	Accumulated Deferred Income Tax	1,406,816	235,650
	TOTAL DEFERRED CREDITS	\$40,191,535	\$41,128,840
	TOTAL LIABILITIES	\$44,433,618	\$45,972,719
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	13,129,365	14,275,375
215	Retained Earnings	801,763	820,912
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$13,931,128	\$15,096,286
	TOTAL LIABILITIES AND CAPITAL	\$58,364,746	\$61,069,005

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$2,172,559	\$2,259,152
460	Unmetered Water Revenue		
474	Other Water Revenues	898,600	933,223
	TOTAL REVENUES	\$3,071,159	\$3,192,375
	OPERATING EXPENSES		
601	Salaries and Wages	\$840,561	\$732,812
610	Purchased Water		
615	Purchased Power	297,842	385,539
618	Chemicals	152,137	60,708
620	Repairs and Maintenance	31,821	22,862
621	Office Supplies and Expense	128,582	105,040
630	Outside Services	41,842	35,943
635	Water Testing	33,729	35,365
641	Rents	41,712	49,327
650	Transportation Expenses	67,438	38,345
657	Insurance – General Liability	17,098	27,783
659	Insurance - Health and Life	3,289	9,817
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	70,944	71,645
403	Depreciation Expense	1,139,624	1,500,550
408	Taxes Other Than Income	20,630	14,902
408.11	Property Taxes	118,368	128,188
409	Income Tax	(31,732)	12,480
	TOTAL OPERATING EXPENSES	\$2,973,894	\$3,231,306
	OPERATING INCOME/(LOSS)	\$97,265	\$(38,931)
	OTHER INCOME/(EXPENSE)		
414	Gains (Losses) from Disposition of Utility Property	\$285	\$227,732
419	Interest and Dividend Income	12	
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	148,766	169,653
	TOTAL OTHER INCOME/(EXPENSE)	\$(148,469)	\$58,079
	NET INCOME/(LOSS)	\$(51,204)	\$19,148

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	07/1999	07/2006	10/2009	
Source of Loan	WIFA	WIFA	WIFA	
ACC Decision No.	60832	68336	71241	
Reason for Loan	Well Site Upgrade	Arsenic Treatment	SCADA and Well Site Upgrade	
Dollar Amount Issued	\$67,000	\$2,435,474	\$1,025,000	\$
Amount Outstanding	\$40,191	\$2,234,615	\$1,025,000	\$
Date of Maturity	6/2019	6/2026	9/2026	
Interest Rate	5.81%	6.75%	4.2%	%
Current Year Interest	\$2,436	\$154,768	\$0	\$
Current Year Principle	\$3,236	\$103,542	\$0	\$

Meter Deposit Balance at Test Year End \$ 252,190.66

Meter Deposits Refunded During the Test Year \$ 155,774.89

COMPANY NAME: Valencia Water Company	
Name of System: VWC-TD	ADEQ Public Water System Number: AZ-04-07-078

WATER COMPANY PLANT DESCRIPTION

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Valencia Water Company**Name of System: VWC-TD****ADEQ Public Water System Number: AZ-04-07-078****WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55- Wal-Mart Well						
55- Evergreen Well #5						
55- Evergreen Well #4						
55- Montana Vista Well						
55- Mystic Vista Well						
55-20056 Sonoran Vista SE			300	7		
55-20105 Riata Well #1			0	0		
55-20173 Crystal Vista Well			0	0		
55-20174 Sonoran Vista NE	150	700	645	11	6"	2004
55-20239 Riata Well #2	125	525	660	11	8"	2004
55-20240 Bales School Well	50	750	550	11	4"	2004
55-20364 Schult Well			530	11		2004
55-20365 Evergreen #2			0	0		
55-20365 Evergreen Well #1			0	0		
55-20545 Evergreen Well #3			0	0		
55-20780 4th & Central	25	410	820	11	6"	2006
55-57750 4th & Baseline Large Well #2	60	600	620	8	6"	2000
55-59222 Blue Hills Deep Well #2	60	350	580	11	6	2002
55-59525 Sonoran Vista SW	100	500	750	11	6"	2003
55-59528 AZ Machinery Well			0	0		
55-59920 Blue Hills Shallow Well #1	20	110	320	9	4"	
55-59995 7th & Alarcon Large Well #2	50	250	800	10	4"	
55-60765 4th & Baseline Small Well #1	10	75	490	6	2"	
55-60765 INACTIVE - 4th & Central			577	8		1966
55-60765 INACTIVE - 7th & Alarcon Small Well #1			650	10		

* Arizona Department of Water Resources Identification Number

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Valencia Water Company	
Name of System: VWC-TD	ADEQ Public Water System Number: AZ-04-07-078

OTHER WATER SOURCES

Name or Description	Capacity (GPM)	Gallons Purchased or Obtained (In Thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
	2	820	
100	2		
125	2		
15	6		
150	3		
20	4		
200	2		
25	2		
30	3		
40	11		
5	2		
50	9		
60	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000 GAL	2	1,000 GAL	1
1,000,000 GAL	1	12,000 GAL	1
176,242 GAL	1	2,000 GAL	1
195,000 GAL	1	3,000 GAL	1
215,000 GAL	1	5,000 GAL	7
240,000 GAL	1	6,000 GAL	2
25,000 GAL	2		
50,000 GAL	3		
500,000 GAL	2		
550,000 GAL	1		
750,000 GAL	1		
900,000 GAL	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Valencia Water Company**Name of System: VWC-TD****ADEQ Public Water System Number: AZ-04-07-078****MAINS**

Size (in Inches)	Material	Length (in Feet)
4	ACP	69
2	CU	432
4	DIP	163
6	DIP	399
8	DIP	7,260
10	DIP	2,874
12	DIP	19,686
16	DIP	38,619
18	DIP	8,026
8	DIP350	196
12	DIP350	11
16	DIP350	5,250
1	PVC	79
2	PVC	1,593
3	PVC	2,626
4	PVC	25,096
6	PVC	34,537
8	PVC	322,503
10	PVC	4,104
12	PVC	49,032
16	PVC	7,269
6	PVCCL1	16
8	PVCCL1	67
2	PVCCL2	342
4	PVCCL2	790
8	PVCCL2	223
10	PVCCL2	2,518
3	STEEL	27
6	STEEL	90
8	STEEL	200
10	STEEL	100
8	STL	14
-99	UNK	1,962
2	UNK	50

CUSTOMER METERS

Size (in inches)	Quantity
1 1/2"	15
1"	113
2"	94
3"	1
3/4"	26
5/8"	5,238
6"	4

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Valencia Water Company		
Name of System: VWC-TD		ADEQ Public Water System Number: AZ-04-07-078

4	UNK	9,978
6	UNK	25,096
8	UNK	7,399
10	UNK	14
12	UNK	9,224
16	UNK	2,084

ABS = Acrylonitrile-Butadiene-Styrene	GALV = Galvanized Steel Pipe
AC = Asbestos Cement	PVC = Polyvinyl Chloride
ACP = Asbestos Concrete Pipe	PVCCL1 = PVC 900 CL 150
ASWP = American Spiral Weld Pipe	PVCCL2 = PVC 900 CL 200
CU = Copper	PVCNP = PVC - Not Purple
DIP = Ductile Iron Pipe	SDRCL1 = PVC SDR 26 CL 160
DIP150 = 150# Ductile Iron Pipe	STEEL = Steel
=	UNK = Unknown

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

ArsenX treatment systems and Chlorine Disinfection Systems

7TH & Alarcon

Bales

Blue Hills

4th & Baseline

4th & Central

Coagulation Filtration System

Sonoran Vista

STRUCTURES:

Local Office structure - storage, office space etc (201 E Coronado, Buckeye)

Block Walls around well sites and booster stations

OTHER:

10 Utility Vehicles

1 Dump Truck

1 Backhoe

1 Trackhoe

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: VALENCIA WATER COMPANY – TOWN DIVISION

Name of System: Valencia Water

ADEQ Public Water System Number: AZ04-07-078

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	4,928	37,889	39,927	
FEBRUARY	4,944	36,387	36,076	
MARCH	5,003	37,000	52,027	
APRIL	5,044	44,810	56,254	
MAY	4,990	67,971	72,872	
JUNE	5,013	65,409	79,035	
JULY	5,019	86,775	86,101	
AUGUST	5,020	67,889	84,535	
SEPTEMBER	5,053	77,723	70,974	
OCTOBER	5,068	50,581	66,512	
NOVEMBER	5,089	54,675	61,241	
DECEMBER	5,069	41,686	46,072	
TOTALS →		668,794	751,626	

What is the level of arsenic for each well on your system? see below mg/l

(If more than one well, please list each separately.)

ADWR #55-599950	7 th & Alarcon Well – EPDS 001	0.0061 mg/l
ADWR #55-607657	4 th & Central Well – EPDS 002	0.0067 mg/l
ADWR #55-577508	4 th & Baseline Well – EPDS 003	0.0068 mg/l
ADWR #55-599204	Blue Hills #1 Well – EPDS 004	0.0064 mg/l
ADWR #55-592220	Blue Hills #2 Well – EPDS 004	0.0064 mg/l
ADWR #55-201740	Sonoran Vista NE Well – EPDS 005	0.007 mg/l
ADWR #55-200564	Sonoran Vista SE Well – EPDS 005	0.007 mg/l
ADWR #55-202399	Riata Well – EPDS 005	0.007 mg/l
ADWR #55-202400	Bales Well – EPDS 006	0.0063 mg/l

If system has fire hydrants, what is the fire flow requirement? ____ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☒ (X) Yes

☐ () No

Is the Water Utility located in an ADWR Active Management Area (AMA)? ☒ (X) Yes ☐ () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ () Yes

☒ (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: VALENCIA WATER COMPANY – TOWN DIVISION	
Name of System: Consolidated	ADEQ Public Water System Number: NA

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	152	
FEBRUARY	0	0	
MARCH	0	188	
APRIL	0	62	
MAY	0	153	
JUNE	0	191	
JULY	0	141	
AUGUST	0	210	
SEPTEMBER	0	182	
OCTOBER	0	4	
NOVEMBER	0	169	
DECEMBER	0	301	
TOTALS →	0	1753	

OTHER (description):

**COMPANY NAME: VALENCIA WATER COMPANY – TOWN DIVISION
YEAR ENDING 12/31/2009**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2009 was: **\$128,188.00**

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED
APR 15 2010
COFFS COMM
Ariz. Utilities

VERIFICATION

STATE OF ARIZONA Maricopa

**I, THE UNDERSIGNED Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance
OF THE Valencia Water Company, Inc.**

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE
ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING


MONTH	DAY	YEAR
12	31	2009

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS,
PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY
EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND
CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE
PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY
MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE,
INFORMATION AND BELIEF.**

SWORN STATEMENT

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT
AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND
PAID IN FULL.**

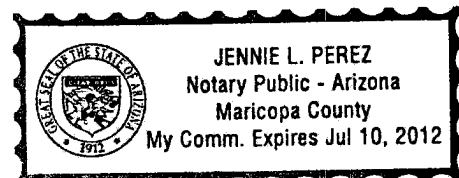


SIGNATURE OF OWNER OR OFFICIAL

623-580-9600

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2010.**



MY COMMISSION EXPIRES 7/10/2012



SIGNATURE OF NOTARY PUBLIC

**COMPANY NAME: VALENCIA WATER COMPANY – TOWN DIVISION
YEAR ENDING 12/31/2009**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$ 19,148.00</u>
Estimated or Actual Federal Tax Liability	<u>\$ 0.00</u>

State Taxable Income Reported	<u>\$ 19,148.00</u>
Estimated or Actual State Tax Liability	<u>\$ 0.00</u>

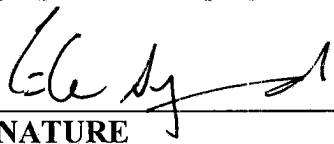
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>\$ 41,018,661.94</u>
Amount of Gross-Up Tax Collected	<u>\$ 0.00</u>
Total Grossed-Up Contributions/Advances	<u>\$ 0.00</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

April 15, 2010

DATE

Graham Symmonds

PRINTED NAME

CTO & SVP Regulatory Affairs & Compliance

TITLE

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

RECEIVED
APR 11 2010
AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA Maricopa

I, THE UNDERSIGNED Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance

OF THE Valencia Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

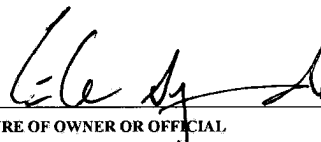
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$3,483,326.84

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 283,514.74 IN SALES TAXES, \$ 6,678.08 IN ACC FEES AND \$ 759.02 IN RUCO FEES, BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

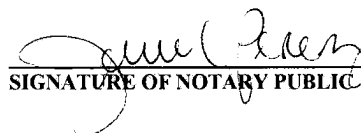

SIGNATURE OF OWNER OR OFFICIAL

623-580-9600
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2010.**



MY COMMISSION EXPIRES 7/10/2012


SIGNATURE OF NOTARY PUBLIC

VERIFICATION AND SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED
APR 14 2010
CLERK OF SUPERIOR COURT
MARICOPA COUNTY
ARIZONA

VERIFICATION

STATE OF ARIZONA **Maricopa**

I, THE UNDERSIGNED **Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance**

OF THE **Valencia Water Company, Inc.**

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 2,015,595.56

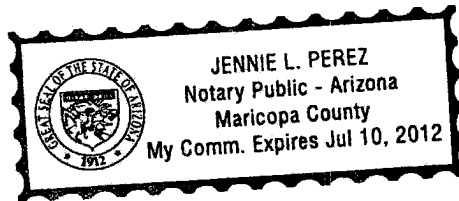
THE AMOUNT IN BOX AT LEFT INCLUDES \$ 88,501.88 IN SALES TAXES, \$ 2,028.91 IN ACC FEES AND \$ 382.63 IN RUCO FEES, BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15 DAY OF APRIL, 2010.



MY COMMISSION EXPIRES 7/10/2012


SIGNATURE OF NOTARY PUBLIC